

**Montana Wheat and Barley Committee  
Interim Board Meeting  
WHEAT Building Conference Room  
Great Falls, Montana  
December 2, 2008**

The following were present for either a portion or the entire meeting:

**DIRECTORS**

Brian Kaae

Don Fast

Arlo Skari

Frank Schoonover

Mel Goffena

Leonard Schock

Kim Holzer unable to attend due to weather

**EX-OFFICIOS**

Ron de Yong, Director; Montana Department of Agriculture

Dr. Jeff Jacobsen, Dean; Montana State University, College of Agriculture

**STAFF**

Kim Falcon, Executive Vice President

Kolleen Spurgin, Administrative Assistant

Rae Grulkowski, Administrative Clerk

Kara Rowe, Marketing Program Manager

Cheryl Tuck, Business Operations Manager

**GUESTS**

Bob Stevens, Ad Hoc Committee member and producer from Dutton

Cort Jensen, Attorney; Department of Agriculture

Will Roehm, President; Montana Grain Growers Association

Fred Elling, Ad Hoc Committee member; former MW&BC Director and Rudyard producer

Lee Boyer, Acting Bureau Chief for State Grain Lab and Bureau Chief, Rural Development Bureau

Lochiel Edwards, Big Sandy producer

Bing Von Bergen, Vice President; Montana Grain Growers Association

Chris Christiaens, Legislative and Project Specialist; Montana Farmers Union

Bill Herbolich, Program Specialist; Montana Department of Agriculture

Peggy Stringer, State Statistician; Montana Agricultural Statistics Service

Carl Mattson, Farm Policy Associate; Montana Grain Growers Association

The Montana Wheat and Barley Committee convened their interim Winter Board Meeting on December 2, 2008 at 1:05 pm.

Rae Grulkowski was introduced as the new Administrative Clerk for the office.

Chairman Schoonover indicated he had been re-appointed by Governor Schweitzer to a

second term and he introduced Leonard Schock, new Director from District 7. Leonard had previously served on the Committee from 1996 to 2005.

Will Roehm, President, and Bing Von Bergen, Vice President of Montana Grain Growers Association, welcomed the Committee to their annual convention. They also asked if the Committee had any legislative issues they want MGGA to address during the upcoming session.

Public comment was called for.

Chairman Schoonover indicated there were members of the Ad Hoc Committee present since they just recessed their meeting regarding spending authority and the issuing of a new assessment.

Kim Falcon, Executive Vice President, presented minutes of the Fall Board Meeting held in October.

**1) M/S/C Brian Kaae/Don Fast** - That the minutes be accepted as presented.

Executive Vice President Falcon reviewed the financial statement with input from Kolleen Spurgin, Administrative Assistant.

**2) M/S/C Don Fast/Arlo Skari** - That the financial statement be accepted as presented.

Director de Yong updated the Committee on progress of the Ad Hoc Committee. He said Governor Schweitzer has increased the baseline spending authority for the MW&BC and he feels there will be enough spending authority to handle any need, including the potential to dip into reserves, if necessary. This will also give the Committee close to 4 million dollars in each year of the biennium if this measure is approved by the Legislature.

The Ad Hoc Committee felt it was not advisable to move the spending authority out of the Governor's budget. Cort Jensen, Attorney, advised that there is no way to insulate the Committee from preserving its spending authority in subsequent Legislative sessions. Most likely, the Committee will need to clarify their need for this increased level of spending authority in following years. He also stated that it is his opinion that the State Legislature cannot access the MW&BC funds without a constitutional amendment.

**3) M/S/C Leonard Schock/Arlo Skari** – That the Committee follow through with the Governor's office and Director de Yong's office regarding the increased spending authority baseline limit.

Dr. Jeff Jacobsen reviewed Montana State University's Ag Appreciation Weekend activities. Outstanding Ag leaders were acknowledged during this weekend. Director

Skari also attended and reported on the special presentations he attended at the Ag Appreciation Weekend Seminar Program.

Dr. Jacobsen reported Greg Kushnak at the Conrad Research Experiment Station will retire in March of 2009. He also identified other position vacancies or upcoming vacancies. Student enrollment numbers in the College of Ag are up. There will be an Open Letter coming to the Committee regarding the situation at the Seed Lab on campus. No funds will be requested of the Committee. He advised of issues the College of Ag will be bringing to the upcoming legislative session. A new system of taking indirect costs (grant overhead) from each grant over the entire MSU College structure is presenting some major challenges for the College of Ag. (The MW&BC has established a policy whereby no indirect costs or grant overhead will be allowed with MW&BC funds.)

The Committee heard reports from those attending the Joint NAWG/USWA meeting in Dallas. Chairman Schoonover was appointed to the Joint Biotech Committee. Montana still needs to demonstrate that its position in the export market is more vulnerable to potential unplanned movement toward biotech. A comment was made from the floor that, in national meetings, Montana is often sought for advice.

Marvin Blodgett, Grain Merchandiser, was unable to make it to the meeting because of winter weather. Chairman Schoonover announced that Byron Grassman of Mountainview Co-Op will take his place as the Grain Trade Representative on the Committee. Cheryl Tuck presented Marvin's report in his behalf which detailed factors affecting commodity markets. Additionally, he thanked the Committee for his experience serving on the Committee.

Peggy Stringer briefed the Committee about the current weather summary, reflecting for the first time in a long while; the whole state is in the "plus" category as far as moisture received. Monday, January 12, 2009, will be the first indication of winter wheat seedings. February 4, 2009, will be the release of the Montana Ag Census. "Value of Sales" out of this report will be for 2007. She indicated she is retiring the 2<sup>nd</sup> of January, 2009. Steve Anderson from Colorado will be her replacement. He will report some time in March. She distributed the new Ag State Bulletin. The Committee presented her with a plaque to thank her for her contributions.

Carl Mattson updated the Committee on the Conservation Security Program and the potential impact in Montana. Currently, there is a reduction in CRP (Conservation Reserve Program) areas. He reviewed the Conservation Stewardship Program (CSP), which is the most significant conservation program in the Farm Bill. Since 2004, the CSP program has brought in \$38,921,940 to Montana.

Executive Vice President Falcon briefed the Committee on transportation issues. An Executive Summary of the Montana Grain Transportation Survey and Report – 2007, prepared by Terry Whiteside, Freight Traffic Consultant, was distributed. The survey indicates that Montana producers are paying a lot more to get their grain to market now

than they ever have before. All pending federal legislation is in a holding pattern until after Congress returns in January.

Director de Yong and Acting Bureau Chief Lee Boyer, along with Bill Herbolich, Program Specialist, reviewed changes at the State Grain Lab and Department of Agriculture activities including a Hail Board Meeting and a Growth Through Ag Meeting. The Department is gearing up for the legislative session. The increased spending authority for the Montana Wheat and Barley Committee is in HB2 and if approved, will take place on July 1, 2009. There is also \$125,000 requested for the State Grain Lab. There is a Fertilizer Bill and an Invasive Species Bill to be carried for the Department of Agriculture.

Attitude at the Grain Lab has improved and monthly comparative studies are being conducted. Sample processing is already ahead of last year. The lab is going forward with the written strategic plan to make the lab more efficient and responsive. The job posting for a new Bureau Chief will go out on December 4, 2008.

Director Skari reported on the "Sawfly Project" saying over \$50,000 has been taken in by the Sawfly Foundation. The North Dakota Grain Growers have been contacted to participate, as well. So far, there has been no discussion about farmers withholding their assessment dollars if they support the Foundation.

Chairman Schoonover reported that the assessment increase needs to be implemented. Cort Jensen gave a report on the assessment increase and public notice process. Cort will need a formal letter from the Committee specifying what level of funding is requested and when the change will occur. He advised that more than one meeting is held to allow for public input. Location, time and date must be approved by the Department. Every single comment must be replied to in person or in writing. Notice of Adoption will then be issued and rules will be printed and roughly 20 days afterward, the new rates could be implemented March 1, 2008.

**4) M/S/C Brian Kaae/Leonard Schock** – That the Committee formally draft a letter to request the process be started to establish public meetings to allow comment on a rule making change which would increase the assessment to full authorization of 2 cents a bushel on wheat and 3 cents a hundredweight on barley.

Chris Christians stated on Monday, December 8, 2008, there will be a revenue meeting in Helena at the Capitol Building, Room 101. The full day's agenda is on land reappraisal and taxes. This will be a major bill in the legislature. All people in agriculture need to be concerned, according to Christians.

In other new business, board assignments were discussed and determined. The assignments are listed separately following these minutes.

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A provision will be made for representation of the Committee or staff to attend the Commodity Classic but no specific people were designated.

**5) M/S/C Don Fast/Arlo Skari** – To approve travel listed in the agenda for staff as designated by the Executive Vice President and Chairman.

Brian suggested that the new State Statistician be considered to be sent on a board travel trip to get him versed on Committee activities.

Kara Rowe or Cheryl Tuck should attend the Wheat Foods Council Meeting since the Director, Brian Kaae, will be attending the MW&BC Winter Board Meeting in Bozeman.

**6) M/S/C Don Fast/Melvin Goffena** – That a unanimous ballot be cast for Frank Schoonover to continue as Chairman.

**7) M/S/C Leonard Schock/Don Fast** – That a unanimous ballot be cast for Brian Kaae to continue as Vice Chairman.

Public comment was called for and none was offered.

The meeting was adjourned at 5:25 pm.